

Message Text

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E.O. 11652: N/A
TAGS: EMIN, EIND, BEXP, BTRD, BENC, GR
SUBJECT: ALUMINUM DE GRECE (PECHINEY) PLANS EXPANSION OF ALUMINA
PRODUCTION

1. ALUMINUM DE GRECE (AG) (ESTABLISHED BY THE FRENCH FIRM PECHINEY IN 1960 AND OPERATOR OF THE ONLY ALUMINUM SMELTER IN GREECE), HAS ANNOUNCED PLANS TO INVEST \$100 MILLION FOR THE EXPANSION OF ITS ALUMINA PRODUCTION AND IMPROVEMENT OF PRODUCTIVITY AT ITS PLANT AT DISTOMON, BEOETIA. ANNUAL ALUMINA PRODUCTION CAPACITY WILL INCREASE BY 100,000 TONS (20 PERCENT) FROM THE PRESENT LEVEL OF 500,000 TONS TO A NEW TOTAL OF 600,000 TONS. ENTIRE ADDITIONAL ALUMINA CAPACITY OF 100,000 TONS WILL BE EXPORTED SINCE AG RETAINS ONLY 300,000 TONS OF ITS OWN ALUMINA OUTPUT LOCALLY TO MEET REQUIREMENTS OF ITS ALUMINUM SMELTER (SMELTER ANNUAL CAPACITY IS 150,000 TONS ALUMINUM). THE COMPANY EXPECTS TO COMPLETE THIS INVESTMENT IN THREE YEARS TIME, BY 1980. AG EXPECTS TO SPEND \$40 MILLION OUT OF THIS INVESTMENT FOR PURCHASES OF FOREIGN MACHINERY AND MECHANICAL INSTALLATIONS. THE BALANCE OF 60 PERCENT OF THE INVESTMENT REPRESENTS DRACHMA EXPENDITURES.

2. THIS NEW INVESTMENT IS EXPECTED TO INCREASE AG'S EXPORTS WHICH
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IN 1977 REACHED \$113 MILLION AGAINST A TOTAL ANNUAL TURNOVER OF \$170 MILLION FOR THE SAME PERIOD. IT WILL RAISE OVERALL INVESTMENT OF THE COMPANY IN GREECE TO \$350 MILLION, INCLUDING SOME \$40 MILLION SPENT DURING THE PERIOD 1974-1977 PRINCIPALLY ON POLLUTION CONTROL.

3. THIS IS ONE OF THE VERY FEW NEW MAJOR FOREIGN INVESTMENTS

ANNOUNCED IN GREECE SINCE 1974. THE ADMINISTRATIVE BOARD OF ALUMINIUM DE GRECE HAS ANNOUNCED THAT IN MAKING THIS DECISION IT WISHES TO ACTIVELY ASSIST THE GOVERNMENT OF GREECE IN ITS POLICY OF ENCOURAGING INVESTMENT. COORDINATION MINISTER GEORGE RALLIS HAS PUBLICLY EXPRESSED HIS APPRECIATION FOR PECHINEY'S DECISION WHICH HE SAID WILL FURTHER TIGHTEN RELATIONS OF FRIENDSHIP AND ECONOMIC COOPERATION BETWEEN FRANCE AND GREECE. THE MINISTER HAS URGED THE COMPANY TO SUBMIT ITS INVESTMENT APPLICATION FOR GOVERNMENT APPROVAL SOON AND PROMISED PROMPT ACTION ON THE APPLICATION BY RESPONSIBLE OFFICIAL AGENCIES.

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